

## WARREN COUNTY BOARD OF SUPERVISORS

### COMMITTEE: SUPPORT SERVICES

DATE: JANUARY 6, 2009

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COMMITTEE MEMBERS PRESENT:	OTHERS PRESENT:
SUPERVISORS SHEEHAN	AMY CLUTE, SELF-INSURANCE ADMINISTRATOR
VANNESS	JOHN BIENIEK, VICE PRESIDENT, COOL INSURING AGENCY, INC.
GIRARD	FREDERICK MONROE, CHAIRMAN OF THE BOARD
SIMMES	HAL PAYNE, COMMISSIONER OF ADMINISTRATIVE & FISCAL SERVICES
GOODSPEED	JOANN MCKINSTRY, DEPUTY COMMISSIONER OF ADMINISTRATIVE &
STRAINER	FISCAL SERVICES
TAYLOR	JOAN SADY, CLERK OF THE BOARD
	SUPERVISORS BELDEN
	GERAGHTY
	KENNY
	SOKOL
	TESSIER
	JULIE PACYNA, PURCHASING AGENT
	AMANDA ALLEN, SR. LEGISLATIVE OFFICE SPECIALIST

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Mr. Sheehan called the meeting of the Support Services Committee to order at 10:00 a.m.

Motion was made by Mr. Girard, seconded by Mr. VanNess and carried unanimously to approve the minutes from the December 19<sup>th</sup> Committee meeting, subject to correction by the Clerk of the Board.

Privilege of the floor was extended to Amy Clute, Self-Insurance Administrator, who introduced John Bieniek, Vice President of Cool Insuring Agency, Inc., noting that he was in attendance to provide a review of the 2009 insurance proposal for Warren County. Mr. Bieniek distributed copies of the insurance proposal, as well as a two-page summary of the full proposal, copies of which are on file with the minutes.

Mr. Bieniek began with a review of the summary document, which he detailed as follows:

#### Section I. 2008 Policy Services Activity

Mr. Bieniek advised that 32 additions and/or changes to fleet vehicles had been made to the automobile portion of the policy and the inland marine coverage had been adjusted to amend the equipment schedule and to add coverage for radio equipment valued in excess of \$1,000.

Mr. Bieniek reminded the Committee that the County had engaged the services of Cool Insuring Agency, Inc. in the fall of 2007 and that during the first and second quarters of 2008 they had performed a valuation of real property replacement costs for County holdings. Subsequent to this review, Mr. Bieniek said it had been determined that the County's holdings were undervalued by approximately \$22 million; therefore, he stated, the increased replacement cost value had been included in the 2009 coverage.

In connection with the Gaslight Village Property acquisition, Mr. Bieniek advised that his firm had worked with the County Attorney's Office to coordinate a premium allocation with both the Village and Town of

Lake George to properly insure the site. He added that they had also worked with the County Attorney's Office with respect to the UHRR (Upper Hudson River Railroad) operator agreement and had ultimately strengthened the agreement by attaining higher limits of insurance liability coverage from UHRR.

Mr. Bieniek apprised that there were ongoing discussions with respect to issues arising from Department of Social Services (DSS) employees using their personal vehicles while on County business. He said that there was a statute that the County presently had which obligated the County to indemnify those employees if they were involved in an accident using their own vehicles while performing County business and they were working to find a way in which to insure this exposure. Mr. Bieniek advised that his firm had also worked with the County Attorney's Office with respect to the FBO (Fixed Base Operator) contract.

## **Section II. Insurance Claim Activity 2008**

Moving on, Mr. Bieniek stated that during 2008 there had been 22 automobile claims that had incurred losses totaling \$85,228. He noted that two insurance claims had occurred prior to 2008 that had a bearing on 2009 premiums, the first of which was the Mondan case which consisted of an injury to a person's foot in June of 2007; Mr. Bieniek added that this case had been settled for a total of \$808,418 in 2008. The second case, he advised, was the McGuirk case which was an injury to a member of the Sheriff's Department that was handled by the Worker's Compensation division administered by the Self-Insurance Program. Mr. Bieniek explained that Mr. McGuirk's injury had been sustained when his patrol vehicle was hit by another passing vehicle as it was parked on the side of the road with him inside. He said that Mr. McGuirk had initially filed a lawsuit against the person who had hit the patrol vehicle and had subsequently filed a claim against the County's uninsured/underinsured motorist coverage; therefore, he said, the insuring company had increased the \$40,000 reserve for the coverage by \$350,000. Mr. Bieniek stated that in 2008 there had also been 20 general liability claims totaling \$26,553; three law enforcement claims totaling \$50,000 and four public officials claims totaling \$32,700. He concluded that the losses incurred for 2008 totaled \$194,481.

## **Section III. Exposure Changes**

Mr. Bieniek explained that exposure changes were also responsible for increasing coverage costs and he apprised that the previously noted changes/additions to the automobile coverage had resulted in a 13% increase. He added that \$355,000 in coverage had been included for the radio equipment added under the inland marine portion of the policy at an additional cost of approximately \$700. Mr. Bieniek noted that the general liability premium was rated based on gross budgeted expenditures which had increased by approximately 7.3%.

Mr. Bieniek advised of an issue that had arisen with NYMIR (New York Municipal Insurance Reciprocal) who had recently discovered that the County owned the Brant Lake Dam. He said that NYMIR had become very sensitive to dam exposure as they were the carrier involved with the Hadlock Pond Dam incident that had occurred about five years prior in which extensive damages had been caused by the Dam's failure. Mr. Bieniek stated that the general liability coverage held with NYMIR would increase by approximately \$1,300 for 2009 to cover the downstream liability coverage for the Brant Lake Dam; he added that the coverage would be contingent upon the County's development of an emergency response plan within the following 12 months for actions that would be taken in the event that the Dam failed.

Mr. VanNess interjected that through the Public Safety Committee, an emergency response plan such as the one referenced by Mr. Bieniek was being developed and he said that he felt the plan would be completed within the timeline desired by NYMIR.

Continuing, Mr. Bieniek advised that other exposure changes, such as the previously noted \$22 million increase in the County's replacement cost values and the builders risk policies recently activated for the Health and Human Services and Soil and Water Conservation Buildings, had led to increases in coverage costs. He noted that a 44% reduction had been realized for the law enforcement policies as there were three fewer full-time armed officers and four fewer part-time armed officers on staff for 2009.

#### **Section IV. Conditions**

Mr. Bieniek reiterated his previous statement that in order to preserve the downstream liability coverage on the Brant Lake Lower Dam through NYMIR, the County must produce an emergency action plan for approval by NYSDEC (New York State Department of Environmental Conservation).

#### **Section V. NYMIR**

NYMIR wrote insurance coverage solely for New York State governmental subsidies, Mr. Bieniek apprised, and was capitalized and funded by its members. He noted that the County had contributed capital in the early 1990's when their first policy with NYMIR was secured. Mr. Bieniek stated that there had always been an understanding between NYMIR and its members that if they were able to function independently without the use of member contributions, the monies contributed would be returned. He advised that NYMIR had reached this milestone and planned to return investment capital to its existing members beginning in 2009 with payments to be made over a three-year period. Mr. Bieniek said that the total distribution to Warren County was estimated at \$94,005 to be paid over three years; he added that NYMIR officials would like to present the first installment check at the February Board meeting and he asked if this was acceptable, to which Mr. Sheehan replied affirmatively.

#### **Section VI. Pricing**

Mr. Bieniek apprised that despite significant auto claim activity and increased property values, the County would enjoy a 5% net rate reduction, or \$36,000, over 2008 insurance costs and he said that he was delighted with these results.

#### **Section VII. Observations/Recommendations**

Concluding the summary review, Mr. Bieniek stated that as the County's insurance advisor, he was obligated to advise the Committee of the coverage deficiencies he foresaw in their policies. Firstly, he noted that the County carried flood and earthquake coverage of only \$1 million, subject to a \$25,000 deductible. Mr. Bieniek stated that he felt the coverage was insufficient due to the fact that the County's property was valued in excess of \$100 million. He said that while he suggested that the Committee consider increasing the flood and earthquake limits, he did not have premium figures available for presentation. Mr. Bieniek apprised that he was in the process of securing this information and would present his recommendations, including coverage pricing, at a future Committee meeting.

Mr. Bieniek advised that the current coverage limits included \$500,000 for employee dishonesty coverage and \$50,000 for forgery coverage. He said he felt these limits were quite low in comparison to the size of the County Budget and the amount of money flowing through the Treasurer's Office. Mr. Bieniek said he recommended that the limits be increased to \$2 million for employee dishonesty coverage and \$500,000 for forgery which would cost the County an additional \$2,400 annually. Along this line, Mr. Bieniek advised that the County's current policies included no coverage for computer fraud, occurrences of which were becoming increasingly more frequent with advancing technology. He noted that the County could purchase a policy for computer fraud coverage with a limit of \$1 million for a total of \$376 annually.

Finally, Mr. Bieniek stated that in working with the County Attorney's Office to develop the new FBO agreement for the Warren County Airport, they had been able to secure higher limits of liability from the newly appointed FBO than what had been in place with the previous one. He said that this had caused them to think about some possible scenarios which might lead to litigation against the County for which there was currently no coverage. For example, Mr. Bieniek apprised, the FBO was responsible for providing a mechanic to those visitors who desired such services and the FBO carried \$1 million worth of coverage for any liability caused by the mechanic. If faulty repairs resulted in an aircraft crashing into a dwelling near the Airport, he said that a situation might arise in which the County was determined to be culpable for not being prudent in hiring a responsible group to serve as FBO. Mr. Bieniek stated that there was coverage available for non-owned aircraft liability, which he recommended as it would protect the County in situations such as this, at a cost of approximately \$700 annually.

Mr. Sheehan thanked Mr. Bieniek for his presentation. He noted that although the Committee was not at liberty to act on the flood coverage limits without further premium information, he suggested that they discuss Mr. Bieniek's remaining suggestions.

Mr. Goodspeed noted that exclusive of the increase to the flood insurance, the coverage increases recommended by Mr. Bieniek would cost the County a total of approximately \$3,600 annually and he agreed that the increases should be implemented. He added that the Committee should not lose sight of Mr. Bieniek's recommendation to increase the flood coverage limits and should discuss the matter further in future Committee meetings when the proper premium information was available.

Mr. Taylor said that he agreed with Mr. Goodspeed's statements. With respect to the recommendation that flood coverage be increased, Mr. Taylor questioned whether any County properties were located within flood plains and Mr. Bieniek replied that he was unsure. Mr. Bieniek stated that the County's property schedule was very large and that he had forwarded it on to the underwriting companies for their review and subsequent quotation of increased coverage. He advised that once the formalized quotations were returned he would have a better understanding of the County's exposure to flood claims and would present more information to the Committee at that time.

Subsequent to further discussion on the matter, motion was made by Mr. Goodspeed, seconded by Mr. Taylor and carried unanimously to authorize the renewal of the property and casualty insurance package as presented by Mr. Bieniek and authorize payment for the insurance coverage to Cool Insuring Agency, Inc., as well as to increase the limits for employee dishonesty coverage to \$2 million and forgery coverage to \$500,000; add computer fraud coverage with a limit of \$1 million; add non-owned aircraft liability coverage and to add downstream dam liability for the Brant Lake Dam with a limit of \$6 million and the necessary

resolution was approved for the January 16<sup>th</sup> Board meeting. *A copy of the resolution request is on file with the minutes.*

Mr. Sheehan advised that requests to approve in-State travel for Hal Payne, Commissioner of Administrative & Fiscal Services; JoAnn McKinstry, Deputy Commissioner of Administrative & Fiscal Services and Joan Sady, Clerk of the Board to attend the NYSAC (New York State Association of Counties) 2009 Legislative Conference in Albany, NY on February 2, 2009 had been submitted and required Committee approval.

Motion was made by Mr. Goodspeed, seconded by Mr. VanNess and carried unanimously to approve the travel requests as outlined above.

Mr. Payne presented a request submitted by Mrs. McKinstry to enroll in a job-related course with tuition reimbursement in the amount of \$536.20 to be paid by the County. He noted that the course, entitled Legal Environment of Business, would be taken through the Empire State College and he affirmed that it was pertinent to Mrs. McKinstry's position.

Motion was made by Mr. VanNess, seconded by Mr. Goodspeed and carried unanimously to approve the request for Mrs. McKinstry to enroll in a job-related course as outlined above and refer same to the Personnel Committee. *A copy of the request is on file with the minutes.*

As there was no further business to come before the Support Services Committee, on motion made by Mr. VanNess and seconded by Mr. Strainer, Mr. Sheehan adjourned the meeting at 10:24 a.m.

Respectfully submitted,  
Amanda Allen, Sr. Legislative Office Specialist

